

Total 2003 budgeted capital expenditures are \$123,465,000. Major construction projects include \$39.5 million for the construction of the Recycled Water Plant to receive and treat effluent from the Metro Sewer Plant to serve non-potable customers. An additional \$14.4 million for construction of pumping, storage and a dual distribution system are also included in this project. Phases I and II consisting of 6,600 acre-feet of supply and 30 million gallons per day of treatment began construction in 2001 with completion scheduled for February 2004.

A complete upgrade and renovation of Filter Plant 1 at Marston began in 2000 is scheduled for completion in 2003. Budgeted capital expenditures for 2003 are \$10.7 million.

Installation of equipment to implement automated meter reading throughout the Denver Water service area is budgeted at \$10.9 million for 2003. This project began in 2001 and is expected to be completed over a five-year period.

A list of major 2003 capital projects is shown on page 52. Additional detail information may be found on pages 54 through 66.

Capital Financing

Capital projects are financed through a mixture of Participation receipts, System Development Charges and Reimbursements for relocations of water facilities as a result of highway and other construction, debt, reserves and other sources.

Approximately \$25.9 million of 2003 capital expenditures are shared with water distributors and others in the metropolitan area through participation contracts and System Development Charges See Section 2, Receipts Forecast, page 35. and Crosswalks of 2003 budgeted Receipts related to Capital and Operating Expenditures by type of expenditures and by Drought, rebates, fire and normal operations categories on pages 19 and 21 for additional information.